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# **Enterprise Transformation and CIO/G-6 Lean Six Sigma Implementation**

*June 14, 2005*



# Purpose

**Using the Lean Six Sigma Process to achieve organizational effectiveness**

**Approve Lean Six Sigma Implementation Plan**

**Approve Recommended Next Steps**

**CXO is functional Lead for CIO/G-6  
Lean Six Sigma Implementation**



# Lean Six Sigma Outcomes

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**Become more efficient, effective, and quality centered in our business process management**

**Align with VDAS guidance in using Lean Six Sigma methods**

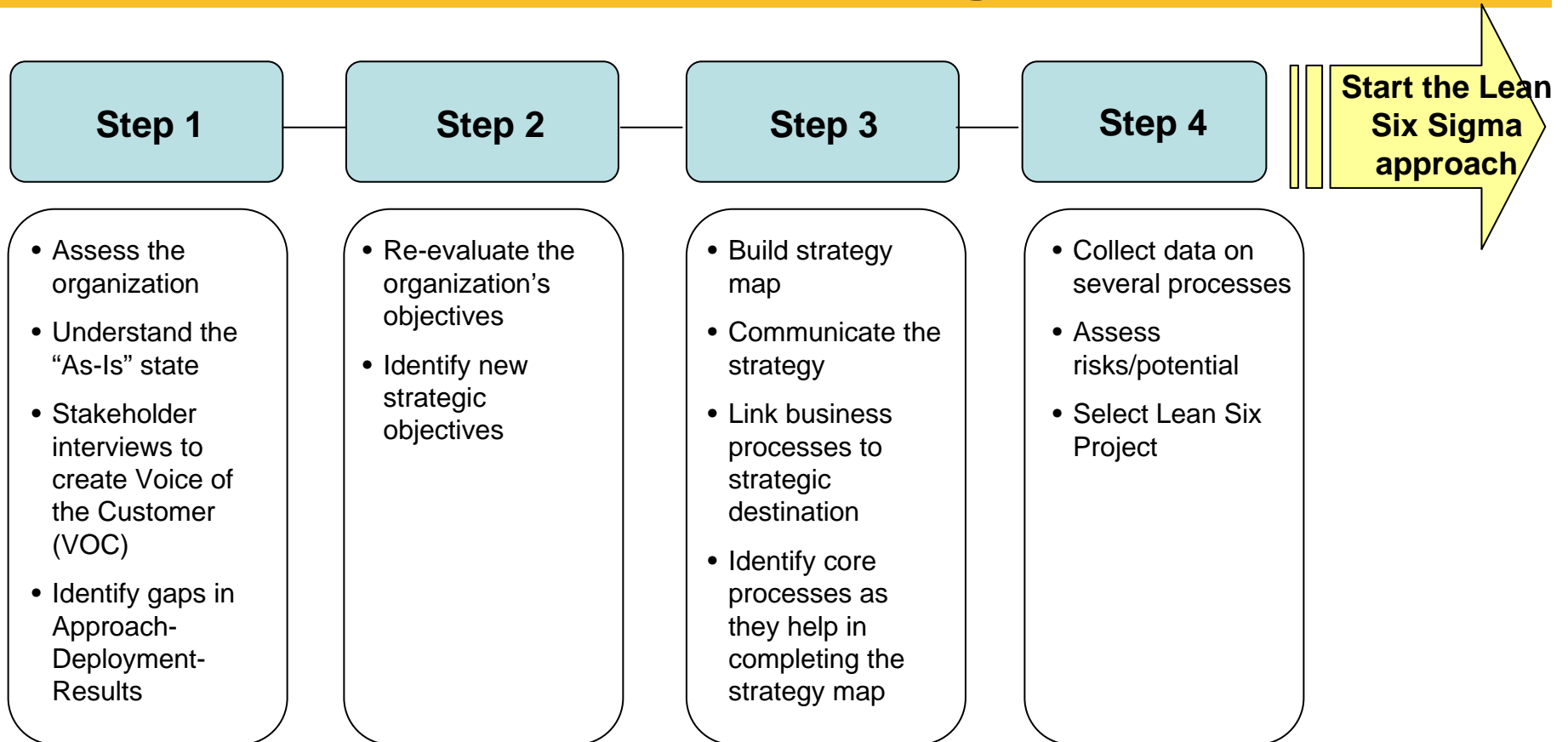
**Next Steps will highlight the CXO proposed development and execution of the CIO/G-6 Lean Six Sigma Implementation Plan**

**Identify Phase I Projects and/or Rapid Improvements Events (RIEs) For Your Consideration**

**Capture Improvements through metrics**



# Prepping an Organization For Lean Six Sigma



**D:** Define the strategic direction of the organization

**M:** Set measures for the strategic objectives of the organization

**A:** On a continual basis collect data on the measures set and analyze using Six Sigma tools and techniques

**I:** Identify the opportunities improvement and convert them to Six Sigma projects for improvement

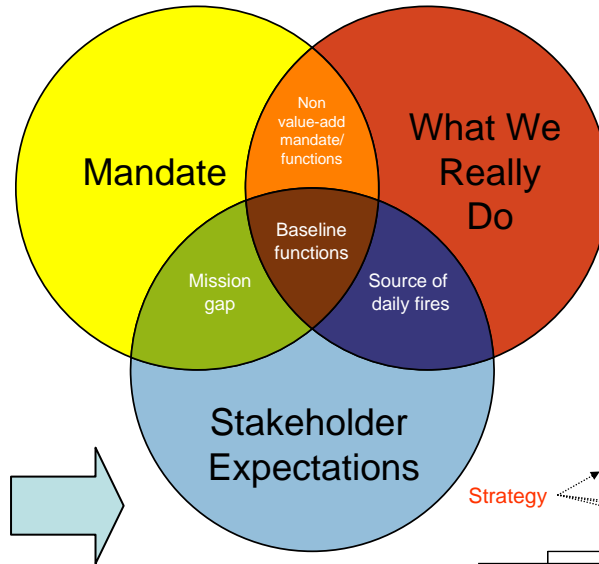
**C:** Set up a management control action of continuous reviews on the improvements made on the Six Sigma projects



# Strategic Realignment – Step 1

## Step 1

- Assess the organization
- Understand the “As-Is” state
- Stakeholder interviews to create Voice of the Customer (VOC)
- Identify gaps in Approach-Deployment-Results



### Mandate

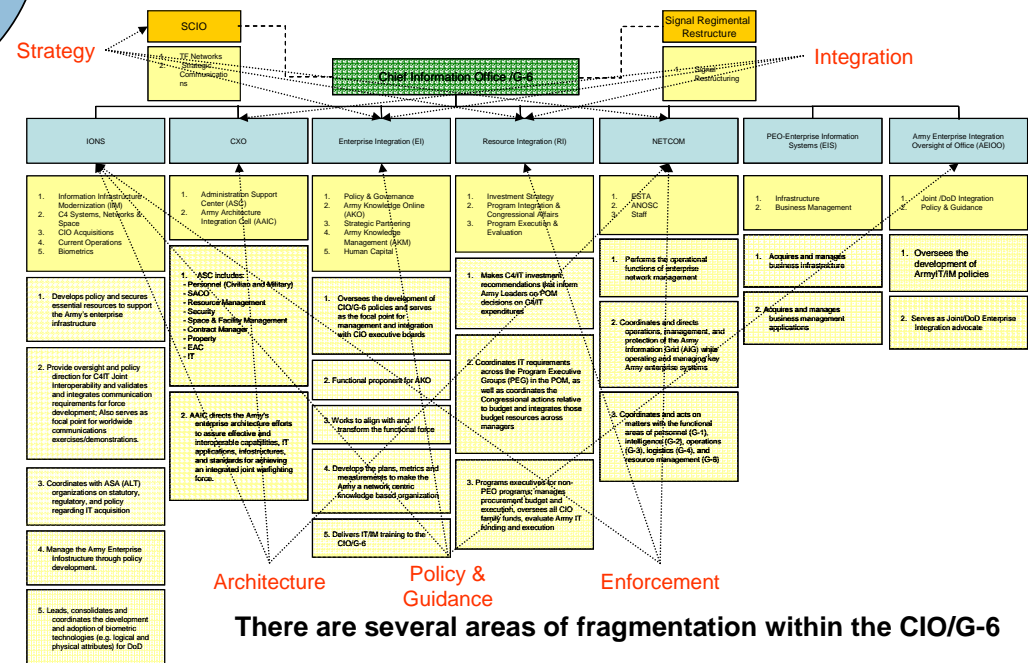
**CIO**  
• Drive an Integrated Enterprise Architecture  
• Maximize Army IT Investment Value  
• Plan and Manage the Army IT Budget  
• Drive Information Assurance and Security  
• Manage Army IT Human Resources  
G-6  
In coordination with G3, G8 and ASA (ALT) develop and synchronize information and signal operations, network and communications security, force structure, equipping and employment of signal forces to build the future force

### Value Proposition

- Architecture
- Policy
- Guidance
- Investment Review
- Enforcement
- Oversight for C4IT acquisition programs
- Joint advocate (ensure joint interoperability)
- Execute O&M (G-6 role)

### Stakeholder Expectations

Be THE IT architect for the Army Design Policy  
Investment Review  
Enforcement  
NOT the construction company



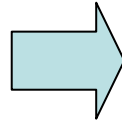
Source: Touchstone



# Strategic Realignment – Step 2

## Step 2

- Re-evaluate the organization's objectives
- Identify new strategic objectives



## CIO/G-6 Vision, Mission and Goals

### Vision:

Deliver a joint net-centric information enterprise that enables warfighter decision superiority.

### Mission:

Provide architecture, governance, portfolio management, strategy, C4 IT acquisition oversight and operational capabilities to enable joint expeditionary net-centric information dominance for the Army.

### Goals:

1. Develop and maintain a secure, seamless, interdependent ~~LandWarNet~~ network by leading development and enforcing the use of an integrated enterprise architecture.
2. Lead enterprise integration to achieve decision superiority by transforming processes, applications and data into network-centric capabilities across the Army.
3. Protect and defend the Army's systems, networks, and information.
4. Ensure Army information management and information technology investments maximize Army and Joint capabilities.
5. Develop the Army's information technology and information management knowledge and skills to support mission needs.
6. Deliver an integrated enterprise strategy that influences Army and Joint use of information management and information technology in furthering the ~~warfighting~~ capabilities.

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### Objectives:

- a) Develop, coordinate, validate, and implement a C4/IM capital planning and investment strategy for the enterprise (includes policies, oversight, and control)
- b) Ensure development and regularly monitor performance measures for information management and information technology investments
- c) Affect the acquisition of C4 through the JCIDS process, empower AAIC for acquisition to ensure systems are Joint from birth (*Imperative 4*)
- d) Define and implement an Army Portfolio Management process consistent with OSD policy
- e) Establish/manage enterprise license agreements to simplify acquisition and provide cost avoidance
- f) Develop and submit Information Technology budget

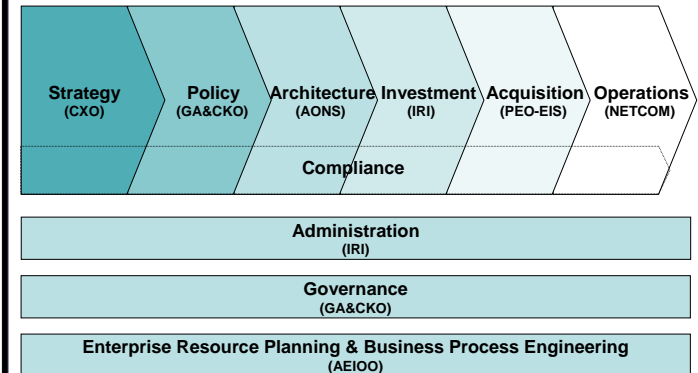
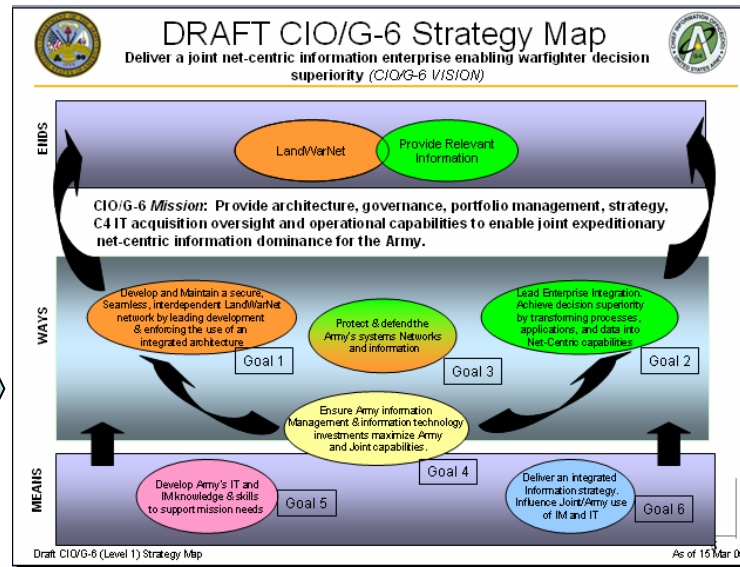
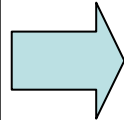
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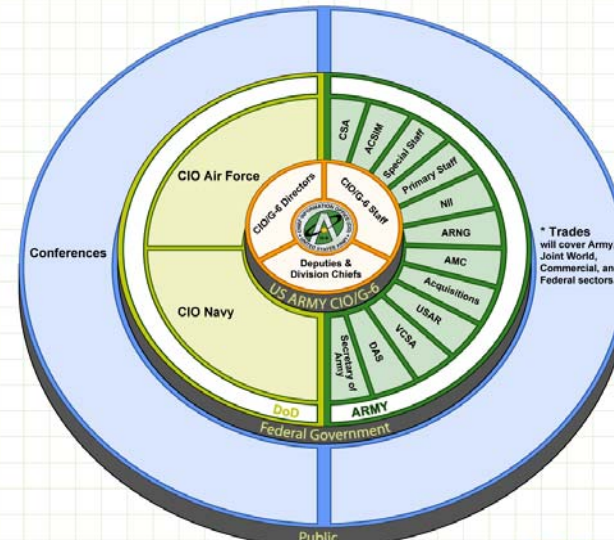
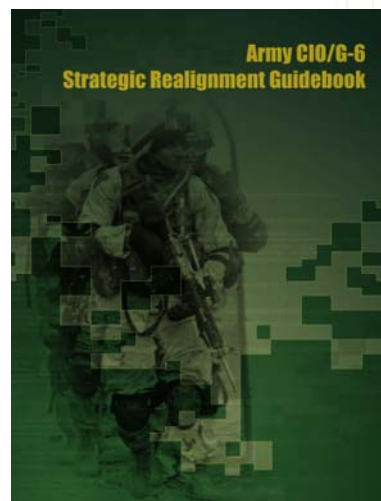
# Strategic Realignment – Step 3

## Step 3

- Build strategy map
- Communicate the strategy
- Link business processes to strategic destination
- Identify core processes as they help in completing the strategy map



## Army CIO/G-6 Communication Stakeholder Analysis





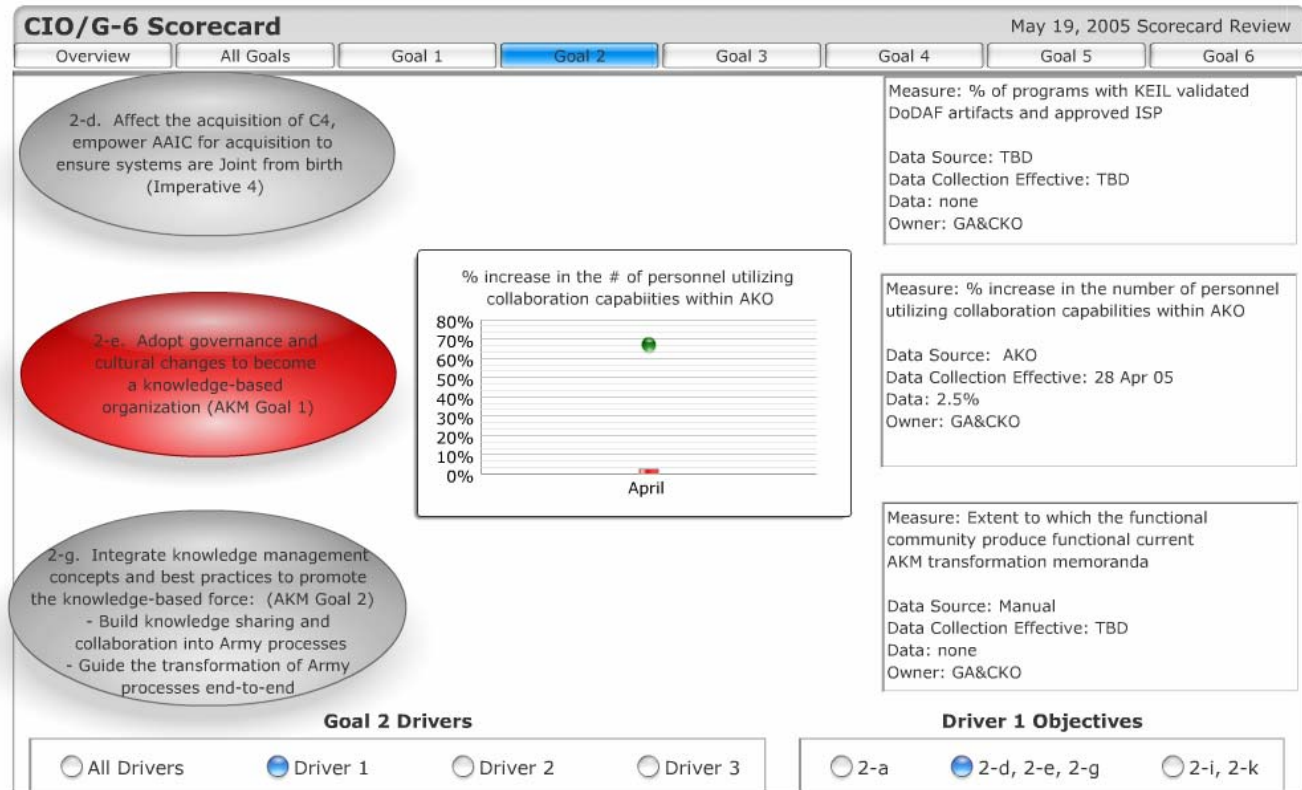
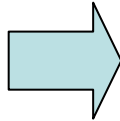


# Strategic Realignment – Step 4



## Step 4

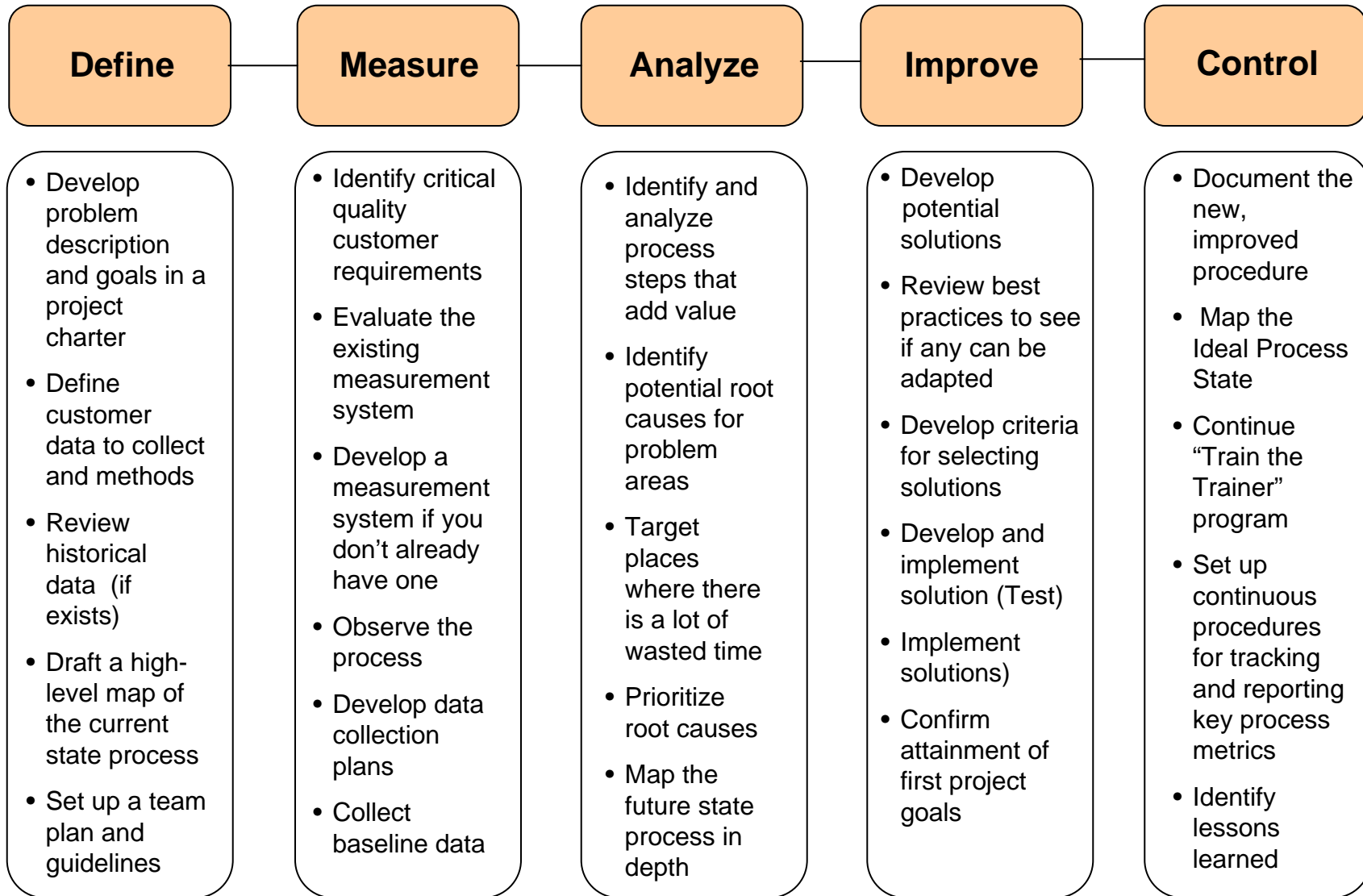
- Collect data on several processes
- Assess risks/potential
- Select Lean Six Projects







# Lean Six Sigma Approach: DMAIC





# Selection of Projects or RIE's Using G-8 Guidance \*\*



**\*\* G-8 is leading Lean Six Sigma until DUSA for Transformation is ready to assume duties**

- **G-8 Guidance on selection criteria for Projects and RIE's affects selection of CIO/G-6 Projects or RIE's**

- **Guidance:**

- “Any initial analysis of a process... will yield opportunities for eliminating waste... The historical stats are that once completed with a cycle of improvement across a value stream 50%+ savings is common.”

- “In a successful deployment (Lean Six Sigma), additional manpower is not necessary and is discouraged.”

- “(Lean Six Sigma) processes are improved and there would be a decrease in requirements for that process and a resulting decrease in funding for that process would follow.”



# CIO/G-6 Support Requirements

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- **Resources:**
- **Roles –**
- **Champion** - An executive level manager responsible for guiding Lean Six Sigma Efforts to include follow-on and control (CXO)
- **Black Belt** – Certified through training and has successfully executed several Six Sigma projects. Works Full-time leading RIE's on Lean Six Sigma. Includes objective leading, coaching, problem solving, and ensuring the team delivers results. (Contractor) \* **Do not have**
- **“Barrier Buster”** – a person empowered by Leadership to enter an RIE and settle a “roadblock”, emotional outburst, etc. This person must be available while RIE's in progress. (Deputy Director, CXO)



# CIO/G-6 Support Requirements

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- **“Lean Core Team”** – Each HQDA staff element have a one to three person full-time team to assist with the RIE’s; perform follow-up metric collection and analysis; report to the CIO and G-8 as required. (Leverage existing resources)
- **Organizational Business Unit Managers** – a person who is designated a Process Owner and will give time to the RIE team members as needed. Also, he/she will release personnel who know the process to work full-time on the RIE (7-10 days) and follow-up as needed.
- **Specific RIE Team Members** – full-time for length of process
- **Logistical Support to the RIE’s: rooms/week, supplies, etc**
- **Leadership Support** of Downstream decision making – Barrier Buster; Sacred Cows, etc.



# Recommendations

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- **CXO is the Functional Lead**
- **CXO approach to using Lean Six Sigma is to increase effectiveness**
- **Processes for Lean Projects or RIE's:**
  - 1) Governance**
  - 3) Architecture**
  - 3) AEIOO**



# Next Steps

<b>Develop and Approve Implementation Plan</b>	<b>July 05</b>
<b>Leadership approve RIE Project Plan with Milestones and IPR's</b>	<b>July 05</b>
<b>Identify first of 3-5 RIE's</b>	<b>July 05</b>
<b>Identify Process Owner for each RIE</b>	<b>July 05</b>
<b>Select and Charter Lean Core Team (LCT)</b>	<b>July 05</b>
<b>Identify RIE team members with Start date</b>	<b>August 05</b>
<b>Develop RIE Project Charters with Leadership Approval</b>	<b>August 05</b>
<ul style="list-style-type: none"><li>• Train the teams in Lean Six Sigma</li><li>• 1st IPR for RIEs</li></ul>	<b>August 05</b>
<b>Develop Communication Strategy</b>	<b>October 05</b>



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# BACK-UP





# SEC of the Army on Lean Six Sigma

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**“I’ve started a parallel business transformation focused on the institutional Army, focused around a technique called **Lean Six Sigma**, which is intended to reduce the cycle time, improve the output quality of administrative, manufacturing and repair processes.**

**I’ve been doing process improvement for 25 years of my business career, today it’s called Lean Six Sigma. Back in 1982 it was called Quality and Productivity Improvement. Then we called it Business Process Re-engineering. **We’ve had several different names for the same thing. You look at the way you do business, and you change it for the better.****

**It’s essentially to take the work out of a process and to **apply it both to factory-type operations or repair, and also to a headquarters operation, like the Department of the Army...**”**

**Secretary of the Army Francis J. Harvey 2/25/05**



# What is Lean Six Sigma?

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- **Lean:** Initiative focuses on the separation of value-added from non-value-added to eliminate the root cause of waste in processes, activities, etc.
- **Six Sigma:** The goal of Six Sigma is to focus on continuous improvement by understanding the customer's needs, analyzing business processes, and instituting proper measurement methods to assess customer satisfaction.
- **Lean Six Sigma:** The application of lean techniques to increase organizational quality, while combining the tools and culture of Six Sigma to improve efficiencies and focus on customers' issues.

# Defining the Value Chain

